GWLC: FY26 & 1QFY27 Corporate Briefing Takeaways

Flashnote: Cement – Gharibwal Cement Limited (GWLC) – Corporate Briefing **Friday, November 13, 2026**

- The management discussed financial performance of the Company for FY26. Despite strong sales growth (13%YoY), gross margin dropped drastically by 4pptsYoY to ~19% on account of the shift from Afghan coal to imported coal due to Afghan border closure along with significant increase in the international coal prices due to US-Iran escalations during 4QFY26. However, PAT increased ~6%YoY to ~PKR 2.3Bn in FY26 on the back of low taxation. The management also discussed 1QFY27 financial results where net sales plunged ~22%YoY mainly due to the stoppage of clinker production in mid of Aug'26 on account of Kiln ID fan damage; resulting a drastic drop in earnings by 97%YoY. However, the Company has recently imported new ID fan which is expected to be installed by end of Nov'26.
- On the operational front, the Company's total dispatches grew ~17%YoY to 1.4Mn tons in FY26 despite decline in the retention prices by ~3%YoY to ~PKR 779/bag (~PKR 957.5/bag as of current) as higher net sales was a resultant effect of volumetric sales growth. In case of coal mix, GWLC reduced its local coal consumption from ~39% in FY25 to ~14% in FY26; also decreased Darra coal contribution to ~7% in FY26 compared to ~11% in the SPLY – current fuel mix comprises of ~39% local coal and 61% imported coal. In addition, ~17% has contributed from Afghan coal and ~61% from imported coal during FY26. Average cost of coal amounted to ~PKR 42,552/ton, up ~25%YoY during the year (~PKR 49,500, currently).
- During FY26, the Company reduced its average power tariff to ~PKR 16.92/kWh compared to ~PKR 20.22/kWh in the corresponding period last year. This is due to increase in contribution of solar power i.e. ~25% of the total power mix (up from 17% in FY25). Further, reduction in the National grid rate (down from ~PKR 49.52/kWh to ~PKR 37.45/kWh - ~PKR 42/kWh as of current) allowed the Company to increase grid power consumption to 19% of the total power mix compared to 10% in the SPLY. To note, GWLC decreased Captive (Thermal) power contribution to 9% due to increase in the fuel prices. Nevertheless, the Company holds the same power mix as of current. Lastly, the management plans to expand production capacity subject to the favorable industry dynamics – they have not set a timeline as of now.

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- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S, EV/EBITDA, EV/Revenue etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

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Frequently Used Acronyms

TP	Target Price	**DCF**	Discounted Cash Flow	**FCF**	Free Cash Flows
FCFE	Free Cash Flows to Equity	**FCFF**	Free Cash Flows to Firm	**DDM**	Dividend Discount Model
SOTP	Sum of the Parts	**P/E**	Price to Earnings ratio	**P/BVPS**	Price to Book ratio
P/S	Price to Sales	**EVA**	Economic Valued Added	**BVPS**	Book Value per Share
EPS	Earnings per Share	**DPS**	Dividend per Share	**DY**	Dividend Yield
ROE	Return on Equity	**ROA**	Return on Assets	**JPB**	Justified Price to Book

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